101-574

SMALL BUSINESS ADMINISTRATION REAUTHORIZATION AND AMENDMENTS ACT OF 1990

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Public Law 101-574
101st Congress

An Act

Nov. 15, 1990
[H.R. 4793]

To amend the Small Business Act and the Small Business Investment Act of 1958, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Small Business Administration and Amendments Act of 1990.
15 USC 631 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Administration Reauthorization and Amendments Act of 1990".

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TITLE I—AUTHORIZATION OF SMALL BUSINESS ADMINISTRATION PROGRAMS

SEC. 101. AUTHORIZATIONS.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) by striking subsections (b) through (g),

(2) by redesignating subsection (h) as subsection (b), and

(3) by adding after subsection (b), as redesignated, the following new subsections:

"(c) The following program levels are authorized for fiscal year 1991:

"(1) For the programs authorized by this Act, the Administration is authorized to make $72,000,000 in direct and immediate participation loans; and of such sum the Administration is authorized to make $19,000,000 in loans as provided in section 7(a)(10), $24,000,000 in loans as provided in section 7(a)(11), $10,000,000 in loans as provided in section 7(a)(20), and $19,000,000 in loans to disabled veterans and Vietnam era veterans (as defined in section 1841, title 38, United States Code) under the general terms and conditions of section 7(a) of this Act.

"(2) For the programs authorized by this Act, the Administration is authorized to make $4,070,000,000 in deferred participation loans and other financings; and of such sum, the Administration is authorized to make $3,500,000,000 in general business loans as provided in section 7(a), $50,000,000 in loans as provided in section 7(a)(12)(B), and $520,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $19,000,000 in purchases of preferred stock and $200,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,800,000,000.

"(d) There are authorized to be appropriated to the Administration for fiscal year 1991 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(e) The following program levels are authorized for fiscal year 1992:

"(1) For the programs authorized by this Act, the Administration is authorized to make $75,000,000 in direct and immediate participation loans; and of such sum the Administration is authorized to make $20,000,000 in loans as provided in section 7(a)(10), $25,000,000 in loans as provided in section 7(a)(11), $10,000,000 in loans as provided in section 7(a)(20), and $20,000,000 in loans to disabled veterans and Vietnam era veterans (as defined in section 1841, title 38, United States Code) under the general terms and conditions of section 7(a) of this Act.

"(2) For the programs authorized by this Act, the Administration is authorized to make $4,449,000,000 in deferred participation loans and other financings; and of such sum, the Administration is authorized to make $3,850,000,000 in general business loans as provided in section 7(a), $53,000,000 in loans as provided in section 7(a)(12)(B), and $546,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $20,000,000 in purchases of preferred stock and $210,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,890,000,000.

"(f) There are authorized to be appropriated to the Administration for fiscal year 1992 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(g) The following program levels are authorized for fiscal year 1993:

"(1) For the programs authorized by this Act, the Administration is authorized to make $79,000,000 in direct and immediate participation loans; and of such sum the Administration is authorized to make $21,000,000 in loans as provided in section 7(a)(10), $26,000,000 in loans as provided in section 7(a)(11), $11,000,000 in loans as provided in section 7(a)(20), and $21,000,000 in loans to disabled veterans and Vietnam era veterans (as defined in section 1841, title 38, United States Code) under the general terms and conditions of section 7(a) of this Act.

"(2) For the programs authorized by this Act, the Administration is authorized to make $4,671,000,000 in deferred participation loans and other financings; and of such sum, the

Administration is authorized to make $4,043,000,000 in general business loans as provided in section 7(a), $55,000,000 in loans as provided in section 7(a)(12)(B), and $573,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $21,000,000 in purchases of preferred stock and $221,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,985,000,000.

"(h) There are authorized to be appropriated to the Administration for fiscal year 1993 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.

"(i) The following program levels are authorized for fiscal year 1994:

"(1) For the programs authorized by this Act, the Administration is authorized to make $83,000,000 in direct and immediate participation loans; and of such sum the Administration is authorized to make $22,000,000 in loans as provided in section 7(a)(10), $27,000,000 in loans as provided in section 7(a)(11), $12,000,000 in loans as provided in section 7(a)(20), and $22,000,000 in loans to disabled veterans and Vietnam era veterans (as defined in section 1841, title 38, United States Code) under the general terms and conditions of section 7(a) of this Act.

"(2) For the programs authorized by this Act, the Administration is authorized to make $4,905,000,000 in deferred participation loans and other financings; and of such sum, the Administration is authorized to make $4,245,000,000 in general business loans as provided in section 7(a), $58,000,000 in loans as provided in section 7(a)(12)(B), and $602,000,000 in financings as provided in section 7(a)(13) and section 504 of the Small Business Investment Act of 1958.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $22,000,000 in purchases of preferred stock and $232,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $2,084,000,000.

"(j) There are authorized to be appropriated to the Administration for fiscal year 1994 such sums as may be necessary to carry out the provisions of this Act, including administrative expenses and necessary loan capital for disaster loans pursuant to section 7(b), and to carry out the provisions of the Small Business Investment Act of 1958, including salaries and expenses of the Administration.".

SEC. 102. DISASTER SALARIES AND EXPENSES.

Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by adding at the end of subsection (a) the following new paragraph:

"(3) There are authorized to be transferred from the disaster loan revolving fund such sums as may be necessary and appropriate for administrative expenses of the Administration.".

TITLE II—AMENDMENTS TO THE SMALL BUSINESS ACT AND RELATED ACTS

PART A—SMALL BUSINESS ACT

SEC. 201. SMALL BUSINESS DEVELOPMENT CENTERS.

(a) FUNDING FORMULAS.—

(1) IN GENERAL.—Section 21 of the Small Business Act (15 U.S.C. 648) is amended by striking the second proviso in subsection (a)(4) and inserting the following: "*Provided further*, That no recipient of funds under this section shall receive a grant which would exceed its pro rata share of a $70,000,000 program based upon the population to be served by the Small Business Development Center as compared to the total population of the United States, plus $100,000 for each State, but no State shall receive less than $200,000.";

15 USC 648 note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contracts, grants, or cooperative agreements for performance commencing on or after October 1, 1991. Contracts, grants, or cooperative agreements the performance of which commences before October 1, 1991, shall receive funding for the entire term of performance without regard to the amendment made by paragraph (1) and according to the State's pro rata share of a $65,000,000 program as computed on the effective date of this section under population estimates used for calendar year 1990 agreements, plus $50,000 for each State, but no State shall receive less than $200,000.

Repeal.

(b) SMALL BUSINESS DEVELOPMENT CENTER ACT.—Section 204 of the Small Business Development Center Act of 1980 (Public Law 96-302) is hereby repealed.

15 USC 648 note.

SEC. 202. EXPORT REVOLVING LINE OF CREDIT.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by striking "for pre-export" in paragraph (14)(A), and

(2) by striking "18 months" and inserting "3 years" in paragraph (14)(A).

15 USC 637 note.

SEC. 203. TWO-YEAR RULE FOR ELIGIBILITY IN THE MINORITY SMALL BUSINESS AND CAPITAL OWNERSHIP DEVELOPMENT PROGRAM.

(a) IN GENERAL.—The Small Business Administration may prescribe a minimum period of time during which a prospective Program Participant must be in operation in order to meet the eligibility requirements of section 8(a)(7)(A) of the Small Business Act (15 U.S.C. 637(a)(7)(A)), only if the Administration provides a waiver of such minimum period as set forth in subsection (b).

(b) WAIVER OF MINIMUM PERIOD OF OPERATION.—(1) The Administration shall provide that any requirement it establishes regarding the period of time a prospective Program Participant must be in operation may be waived and, a prospective Program Participant, who otherwise meets the requirements of section 8(a)(7)(A) of the

Small Business Act, shall be considered to have demonstrated reasonable prospects for success, if—

(A) the individual or individuals upon whom eligibility is to be based have substantial and demonstrated business management experience;

(B) the prospective Program Participant has demonstrated technical expertise to carry out its business plan with a substantial likelihood for success;

(C) the prospective Program Participant has adequate capital to carry out its business plan;

(D) the prospective Program Participant has a record of successful performance on contracts from governmental and nongovernmental sources in the primary industry category in which the prospective Program Participant is seeking Program certification; and

(E) the prospective Program Participant has, or can demonstrate its ability to timely obtain, the personnel, facilities, equipment, and any other requirements needed to perform such contracts.

(2) The authority to make the determination that a prospective Program Participant has demonstrated its potential for success by meeting the criteria specified in paragraph (1) of this subsection shall be made by the Administrator of the Small Business Administration, or a designee of such officer.

SEC. 204. SIZE DETERMINATIONS RELATING TO TRIBALLY OWNED BUSINESS CONCERNS.

(a) AFFILIATION RULES.—Section 7(j)(10)(J)(ii) of the Small Business Act (15 U.S.C. 636(j)(10)(J)(ii)) is amended to read as follows:

"(ii)(I) Except as authorized by subclauses (II) or (III), no award shall be made pursuant to section 8(a) to a concern other than a small business concern.

"(II) In determining the size of a small business concern owned by a socially and economically disadvantaged Indian tribe (or a wholly owned business entity of such tribe), each firm's size shall be independently determined without regard to its affiliation with the tribe, any entity of the tribal government, or any other business enterprise owned by the tribe, unless the Administrator determines that one or more such tribally owned business concerns have obtained, or are likely to obtain, a substantial unfair competitive advantage within an industry category.

"(III) Any joint venture established under the authority of section 602(b) of Public Law 100-656, the 'Business Opportunity Development Reform Act of 1988', shall be eligible for award of a contract pursuant to section 8(a).".

(b) TRIBAL HOLDING COMPANIES.—Section 8(a)(4) of the Small Business Act (15 U.S.C. 637(a)(4)) is amended by inserting—

(1) in clause (A)(i)(II), after the word "tribe" the parenthetical phrase "(or a wholly owned business entity of such tribe)"; and

(2) in clause (A)(ii)(II), after the word "tribe" the parenthetical phrase "(or a wholly owned business entity of such tribe)".

SEC. 205. JOINT VENTURES WITH TRIBALLY OWNED PARTICIPANTS IN THE 8(a) PROGRAM.

Section 602 of the Business Opportunity Development Reform Act of 1988 (15 U.S.C. 637 note) is amended—

(1) in subsection (c), by striking "two" and inserting "5", and
(2) in subsection (e), by striking "September 30, 1991" and inserting "September 30, 1994".

SEC. 206. SURETY BOND WAIVER AUTHORITY.

Section 7(j)(13)(D)(iii) of the Small Business Act (15 U.S.C. 636(j)(13)(D)(iii)) is amended by striking "October 1, 1992" and inserting "October 1, 1994".

SEC. 207. ESTABLISHING AWARD ELIGIBILITY FOR CONTRACT OPPORTUNITIES COMPETED UNDER SECTION 8(a).

Section 8(a)(1) of the Small Business Act (15 U.S.C. 637(a)(1)) is amended—

(1) by striking subparagraph (B);
(2) by striking the flush left sentence following subparagraph (C);
(3) by redesignating subparagraph (C) as subparagraph (B); and
(4) by adding a new subparagraph (C) as follows:

"(C) to make an award to a small business concern owned and controlled by socially and economically disadvantaged individuals which has completed its period of Program Participation as prescribed by section 7(j)(15), if—

"(i) the contract will be awarded as a result of an offer (including price) submitted in response to a published solicitation relating to a competition conducted pursuant to subparagraph (D); and

"(ii) the prospective contract awardee was a Program Participant eligible for award of the contract on the date specified for receipt of offers contained in the contract solicitation.".

SEC. 208. BUNDLING OF CONTRACTS.

Section 15(a) of the Small Business Act (15 U.S.C. 644(a)) is amended by adding before "Whenever" the following new sentences: "If a proposed procurement includes in its statement of work goods or services currently being performed by a small business, and if the proposed procurement is in a quantity or estimated dollar value the magnitude of which renders small business prime contract participation unlikely, or if a proposed procurement for construction seeks to package or consolidate discrete construction projects, the Procurement Activity shall provide a copy of the proposed procurement to the Procurement Activity's Small Business Procurement Center Representative at least 30 days prior to the solicitation's issuance along with a statement explaining (1) why the proposed acquisition cannot be divided into reasonably small lots (not less than economic production runs) to permit offers on quantities less than the total requirement, (2) why delivery schedules cannot be established on a realistic basis that will encourage small business participation to the extent consistent with the actual requirements of the Government, (3) why the proposed acquisition cannot be offered so as to make small business participation likely, or (4) why construction cannot be procured as separate discrete projects. The thirty-day notification process shall occur concurrently with other processing steps required prior to issuance of the solicitation. Within 15 days after receipt of the proposed procurement and accompanying statement, if the Procurement Center Representative believes that the

procurement as proposed will render small business prime contract participation unlikely, the Representative shall recommend to the Procurement Activity alternative procurement methods which would increase small business prime contracting opportunities.".

SEC. 209. DESIGNATED PROCUREMENT CENTER REPRESENTATIVES.

Not later than 180 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall station a traditional procurement center representative at the Department of Agriculture, the Navy Sea Systems Command, and the Environmental Protection Agency. Such representatives shall be in addition to the representatives stationed or designated to be stationed on the date of enactment of this Act.

SEC. 210. NONMANUFACTURER RULE.

Section 8(a)(17)(B)(iv) of the Small Business Act (15 U.S.C. 637(a)(17)(B)(iv)) is amended to read as follows:

"(iv) represent that it will supply the product of a domestic small business manufacturer or processor, unless a waiver of such requirement is granted—

"(I) by the Administrator, after reviewing a determination by the contracting officer that no small business manufacturer or processor can reasonably be expected to offer a product meeting the specifications (including period for performance) required of an offeror by the solicitation; or

"(II) by the Administrator for a product (or class of products), after determining that no small business manufacturer or processor is available to participate in the Federal procurement market.".

SEC. 211. COMMISSION ON MINORITY BUSINESS DEVELOPMENT.

Section 505(c)(1)(A)(ii) of the Business Opportunity Development Reform Act of 1988 (15 U.S.C. 636 note) is amended to read as follows:

"(ii) The Under Secretary of Defense for Acquisition, or a designee of such Under Secretary.".

SEC. 212. SUNSET ON AUTHORITY TO PROVIDE TECHNICAL AND MANAGERIAL ASSISTANCE THROUGH PRIVATE SECTOR SOURCES.

Section 7(b) of the Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) is amended by striking "October 1, 1990" and inserting "March 31, 1991".

PART B—SMALL BUSINESS INVESTMENT ACT

SEC. 214. DEVELOPMENT COMPANY FINANCINGS.

(a) CONGRESSIONAL FINDINGS.—Section 501(a) of the Small Business Investment Act of 1958 (15 U.S.C. 695(a)) is amended to read as follows:

"(a) The Congress hereby finds and declares that the purpose of this title is to foster economic development and to create or preserve job opportunities in both urban and rural areas by providing long-term financing for small business concerns through the development company program authorized by this title.". Urban renewal. Rural areas.

(b) POLICY CONSIDERATIONS.—Section 501 of the Small Business Investment Act of 1958 (15 U.S.C. 695) is amended by adding at the end thereof the following new subsection:

"(d) In order to qualify for assistance under this title, the development company must demonstrate that the project to be funded is directed toward at least one of the following economic development objectives—

"(1) the creation of job opportunities within two years of the completion of the project or the preservation or retention of jobs attributable to the project;

"(2) improving the economy of the locality, such as stimulating other business development in the community, bringing new income into the area, or assisting the community in diversifying and stabilizing its economy; or

"(3) the achievement of one or more of the following public policy goals:

"(A) business district revitalization,

"(B) expansion of exports,

"(C) expansion of minority business development,

"(D) rural development,

"(E) enhanced economic competition, including the advancement of technology, plan retooling, conversion to robotics, or competition with imports,

"(F) changes necessitated by Federal budget cutbacks, including defense related industries, or

"(G) business restructuring arising from Federally mandated standards or policies affecting the environment or the safety and health of employees.

If eligibility is based upon the criteria set forth in paragraph (2) or (3), the project need not meet the job creation or job preservation criteria developed by the Administration if the overall portfolio of the development company meets or exceeds such job creation or retention criteria.".

15 USC 696.

(c) SPECIAL LOAN LIMITATIONS.—Section 502 of the Small Business Investment Act of 1958 is amended by striking the period at the end of paragraph (2) and by inserting the following: ", except loans meeting the criteria specified in section 501(d)(3) shall be limited to $1,000,000 for each such identifiable small business concern.".

SEC. 215. SMALL BUSINESS INVESTMENT COMPANIES.

(a) LIMITS IN CASES OF COMMON CONTROL.—

15 USC 683.

(1) IN GENERAL.—The last sentence of section 303(b)(1) of the Small Business Investment Act of 1958 is amended to read as follows: "In no event shall the debentures guaranteed and outstanding under this title of any such company or companies which are commonly controlled as determined by the Administration exceed $35,000,000.".

15 USC 683 note.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on July 1, 1991.

(b) AMOUNT OF ASSISTANCE.—Section 303 of the Small Business Investment Act of 1958 (15 U.S.C. 683) is amended—

(1) by inserting "under the provisions of this title," in paragraph (6) of subsection (c) after "debentures or securities"; and

(2) by striking the third sentence in subsection (d).

SEC. 216. PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM.

Termination date.
15 USC 694b note.

(a) SUNSET.—Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988, Public Law 100-590, is amended to read as follows:

"The provisions contained in section 411(a)(3) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(a)(3)) shall cease to be effective after September 30, 1994.".

(b) EVALUATION AND REPORT.—Section 206 of the Small Business Administration Reauthorization and Amendment Act of 1988 is amended— 15 USC 694b note.

(1) in the first sentence, by striking "Not later than" and inserting "(a) not later than"; and

(2) by striking the last sentence and inserting:

"(b) The report required by subsection (a) shall be transmitted not later than March 1, 1994 and cover the period October 1, 1990 through September 30, 1993.". Reports.

PART C—SMALL BUSINESS ADMINISTRATION MANAGEMENT

SEC. 221. SMALL BUSINESS ADMINISTRATION DEPUTY ADMINISTRATOR.

(a) IN GENERAL.—Section 4 of the Small Business Act (15 U.S.C. 633) is amended by striking "The Administrator is authorized to appoint a Deputy Administrator and" in the fourth sentence of subsection (b)(1) and inserting the following: "The President also may appoint a Deputy Administrator, by and with the advice and consent of the Senate. The Administrator is authorized to appoint".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to any vacancy in the position of Deputy Administrator of the Small Business Administration after the date of the enactment of this Act. 15 USC 633 note.

PART D—DEMONSTRATION PROGRAMS AND STUDIES

SEC. 231. SMALL BUSINESS TECHNOLOGY TRANSFER DEMONSTRATION PROGRAM. 15 USC 648 note.

(a) ESTABLISHMENT.—There is established within the Small Business Administration a Small Business Technology Transfer Demonstration Program (hereafter referred to as the "Program").

(b) PURPOSE OF PROGRAM.—The purpose of the Program is to demonstrate the feasibility of providing small businesses with education, training, and technical assistance with respect to technology transfer and application through an eligible entity.

(c) PROGRAM ACTIVITIES.—The eligible entity shall undertake, through a regional network of participating community and technical colleges, a program of activities to provide small business concerns training and assistance with respect to—

(1) technological innovations,

(2) statistical process control,

(3) computer-assisted design,

(4) computer-assisted manufacturing and computer-integrated manufacturing,

(5) implementation and deployment of telecommunications and other interactive systems, and

(6) other new equipment and advanced manufacturing processes.

(d) COOPERATIVE AGREEMENT.—The Administration is authorized to award a cooperative agreement to an eligible entity to undertake a demonstration program pursuant to this subsection.

(e) REGULATIONS.—

(1) IN GENERAL.—The Administrator shall issue regulations for the implementation of the Program within 180 days of the date of the enactment of this Act.

(2) ALLOCATION OF FUNDING.—In addition to any other matters which the Administration deems appropriate, such Program regulations shall provide for the allocation of funds among the educational institutions that comprise the eligible entity on the basis of scope of the assistance and training activities to be offered small business concerns under the Program and the capability of the educational institution to provide such Program activities.

(f) USE OF SMALL BUSINESS DEVELOPMENT CENTERS AND OTHER RESOURCES.—In implementing the Program, the Administrator shall assure that the eligible entity uses to the maximum extent feasible Small Business Development Centers, receiving support pursuant to section 21 of the Small Business Act (15 U.S.C. 648), and other available sources in conducting the Program.

(g) DURATION OF THE PROGRAM.—The Program shall terminate on September 30, 1993.

(h) REPORT.—The Administrator shall monitor the implementation of the Program established by this section and submit a report evaluating such implementation to the Committees on Small Business of the Senate and the House of Representatives by not later than June 30, 1993, including appropriate recommendations regarding continuation of the Program and its extension to other regions in the country.

(i) AUTHORIZATION.—There is authorized to be appropriated to the Small Business Administration $5,000,000 for each of the fiscal years 1991, 1992, and 1993 to carry out the Program established by this section.

(j) DEFINITIONS.—For purposes of this section:

(1) The term "eligible entity" means the Community College Association for Technology Transfer or, if such organization is not available, another not-for-profit association of community and technical colleges determined to be eligible for an award of a cooperative agreement, under the regulations issued pursuant to subsection (e).

(2) The term "Community College Association for Technology Transfer" ("CCATT") means a coalition currently composed of 16 community and technical colleges located in the Midwest which has proposed a cooperative regional program for technology transfer and application for the benefit of small businesses to revitalize the regional economy.

15 USC 648a note.

SEC. 232. PILOT TECHNOLOGY ACCESS PROGRAM.

(a) ESTABLISHMENT.—The Small Business Administration, in consultation with the National Institute of Standards and Technology and the National Technical Information Service, shall establish a Pilot Technology Access Program (hereafter in this section referred to as the "Program"), for making grants under this section to a maximum of 5 States.

(b) CRITERIA FOR SELECTION OF STATES.—The Administrator of the Small Business Administration shall establish competitive, merit-

ased criteria for the selection of States to receive grants on the asis of—

(1) the ability of the State to carry out the purposes described in subsection (d) in a manner relevant to the needs of industries in that State;

(2) the ability of the State to integrate the implementation of the Program with existing Federal and State technical and business assistance resources, including Small Business Development Centers; and

(3) the ability of the State to continue the program established pursuant to this section after the termination of the Program.

(c) MATCHING REQUIREMENT.—To be eligible to receive a grant nder this section, a State shall be required to provide at least an qual amount of funds as that received under such grant.

(d) PURPOSE OF GRANTS.—Grants made to States under this section hall be for the purpose of increasing access by small businesses to n-line data base services that provide technical and business nformation, and access to technical experts, in a wide range of echnologies, through such activities as—

(1) defraying the cost of access by small businesses to the data base services;

(2) training small businesses in the use of the data base services; and

(3) establishing a public point of access to the data base services.

ctivities described in paragraphs (1) through (3) may be carried out hrough contract with a private entity.

(e) EVALUATION.—After the completion of 3 years after the date on Reports.
hich the first grant is issued under this section, and within 6 nonths after the termination of the Program, the General Accountng Office shall evaluate the effectiveness of the Program in stimuating technological progress, and shall report the findings to the Committee on Small Business and the Committee on Science, Space, nd Technology of the House of Representatives and to the Committee on Small Business and the Committee on Commerce, Science, nd Transportation of the Senate.

(f) TERMINATION.—The Program shall terminate on September 30, 995.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to e appropriated to the Small Business Administration for carrying ut this section—

(1) $2,000,000 for fiscal year 1991; and

(2) $5,000,000 for each of the fiscal years 1992, 1993, 1994, and 1995.

EC. 233. FEASIBILITY STUDY OF BUSINESS COOPERATION NETWORK. 15 USC 631 note.

(a) IN GENERAL.—The Administrator of the Small Business Administration shall conduct a study of the feasibility of establishng a business cooperation system similar to the Business Cooperaion Network developed by the European Economic Community.

(b) PURPOSE.—The purpose of the study shall be to identify—

(1) the total cost to implement such a system in this country;

(2) all existing business data systems at the Federal, state local government levels which would be of assistance in developing a program similar to either the Euro-Info-Centre and/or the European Business Cooperation Network;

(3) all existing business data systems in the private sector which would be of assistance in developing a program similar to either the Euro-Info-Centre and/or the European Business Cooperation Network;

(4) the amount of time it would take to fully implement this program in all fifty States; and

(5) the benefits to the international competitiveness of the United States.

(c) PARTICIPATION.—In conducting the study, the Administrator shall encourage participation of all appropriate Federal departments and agencies, appropriate State departments and agencies, appropriate small business representative groups, and any other public and/or private entities which would play a role in the development of such a system.

(d) REPORT.—Not later than one year after the date of the enactment of this Act, the Administrator shall transmit to Congress a report containing the results of the study together with recommendations for such legislative and administrative actions as the Administrator considers appropriate.

SEC. 234. STUDY ON IMPACT OF ELECTRONIC DATA INTERCHANGE TECHNOLOGY.

(a) IN GENERAL.—The Administrator of the Small Business Administration shall conduct a study of the impact of electronic data interchange technology on small business concerns.

(b) PURPOSE.—The purpose of the study shall be to identify—

(1) the benefits of electronic data interchange technology with respect to small business concerns;

(2) the adverse effects of electronic data interchange technology with respect to small business concerns;

(3) technical and financial assistance which the Small Business Administration can offer to small business concerns which seek to use electronic data interchange technology;

(4) measures which may be taken to implement a uniform technical standard for electronic data interchange technology;

(5) measures which may be taken to prevent electronic data interchange technology in the Federal procurement process from having an adverse effect on small business concerns; and

(6) other measures which may be taken to prevent electronic data interchange technology from becoming a competitive barrier to small business concerns.

(c) PARTICIPATION.—In conducting the study, the Administrator shall encourage participation by Federal departments and agencies, small business concerns, and other private and public entities.

(d) REPORT.—Not later than one hundred and eighty days after the date of the enactment of this Act, the Administrator shall transmit to Congress a report containing the results of the study together with recommendations for such legislative and administrative actions as the Administrator considers appropriate.

PART E—REPEALERS AND TECHNICAL AMENDMENTS

SEC. 241. DEPARTMENT OF DEFENSE PROCUREMENT REPORTING.

Reports.

Section 10(d) of the Small Business Act (15 U.S.C. 639(d)) is amended—

(1) by striking "the Department of Defense shall make a monthly report to the President, the President of the Senate, the Senate Select Committee on Small Business, and the Speaker of the House of Representatives not less than 45 days after the close of the month" and inserting "the Department of Defense shall make an annual report to the Committees on Small Business of the Senate and the House of Representatives";

(2) by striking "small-business concerns" and inserting "small business concerns"; and

(3) by striking "such monthly reports" and inserting "such reports".

C. 242. EXPIRED PROVISION.

Section 7(j) of the Small Business Act (15 U.S.C. 636(j)) is ended—

(1) by striking subparagraphs (A) and (B) of paragraph (3); and

(2) by striking paragraph (8).

C. 243. REPORTING OF SUBCONTRACTING ACTIVITY.

Section 714 of the Small Business Competitiveness Demonstration ogram Act of 1988 (15 U.S.C. 644 note) is amended by striking bsection (b) and by redesignating subsection (c) as subsection (b).

C. 244. NOTICES OF PROPOSED PROCUREMENT OPPORTUNITIES.

Section 8(g)(1) of the Small Business Act (15 U.S.C. 637(g)(1)) is ended by striking "(a)(1)" and inserting "(e)(1)".

C. 245. TIME LIMIT ON SECONDARY MARKET SALES.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is ended by striking the last sentence of subparagraph (A) of ragraph (16).

TITLE III—ASSISTANCE FOR RURAL SMALL BUSINESS CONCERNS

Rural Small Business Enhancement Act of 1990.

C. 301. SHORT TITLE.

15 USC 631 note.

This title may be cited as the "Rural Small Business Enhancent Act of 1990".

C. 302. ESTABLISHMENT OF OFFICE OF RURAL AFFAIRS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended by erting after section 25 the following new section:

C. 26. OFFICE OF RURAL AFFAIRS.

15 USC 653.

(a) There is hereby established in the Small Business Administion an Office of Rural Affairs (hereafter in this section referred s the 'Office').

(b) The Office shall be headed by a director who shall be ointed by the Administrator not later than 90 days after the date he enactment of this section.

(c) The Office shall—

"(1) strive to achieve an equitable distribution of the financial assistance available from the Administration for small business concerns located in rural areas;

"(2) to the extent practicable, compile annual statistics on rural areas, including statistics concerning the population, poverty, job creation and retention, unemployment, business failures, and business startups;

"(3) provide information to industries, organizations, and State and local governments concerning the assistance available to rural small business concerns through the Administration and through other Federal departments and agencies;

"(4) provide information to industries, organizations, educational institutions, and State and local governments concerning programs administered by private organizations, educational institutions, and Federal, State, and local governments which improve the economic opportunities of rural citizens; and

"(5) work with the United States Tourism and Travel Administration to assist small businesses in rural areas with tourism promotion and development.".

SEC. 303. SBDC RURAL ACTIVITIES.

15 USC 648.

Section 21 of the Small Business Act is further amended—

(1) by striking "and" at the end of subparagraph (L) of subsection (c)(3)

(2) by redesignating subparagraph (M) of subsection (c)(3) as subparagraph (P); and

(3) by inserting after subparagraph (L) the following new subparagraphs:

"(M) in cooperation with the Department of Commerce, the Administration and other relevant Federal agencies, actively assisting rural small businesses in exporting by identifying and developing potential export markets for rural small businesses, facilitating export transactions for rural small businesses, developing linkages between United States' rural small businesses and prescreened foreign buyers, assisting rural small businesses to participate in international trade shows, assisting rural small businesses in obtaining export financing and developing marketing and production strategies;

"(N) assisting rural small businesses—

"(i) in developing marketing and production strategies that will enable them to better compete in the domestic market—

"(ii) by providing technical assistance needed by rural small businesses;

"(iii) by making available managerial assistance to rural small business concerns; and

"(iv) by providing information and assistance in obtaining financing for business startups and expansion;

"(O) in conjunction with the United States Travel and Tourism Administration, assist rural small business in developing the tourism potential of rural communities by—

"(i) identifying the cultural, historic, recreational, and scenic resources of such communities;

"(ii) providing assistance to small businesses in developing tourism marketing and promotion plans relating to tourism in rural areas; and

"(iii) assisting small business concerns to obtain capital for starting or expanding businesses primarily serving tourists; and".

SEC. 304. CATALOG OF PROGRAMS TO ASSIST RURAL SMALL BUSINESS CONCERNS. 15 USC 653 note.

(a) COMPILATION.—Not later than 180 days after the date of the enactment of this title, the Small Business Administration shall compile a catalog of programs administered by Federal and State departments and agencies which offer assistance to small business concerns in rural areas. Such catalog shall include a description of each such program and the name, address, and telephone number of the respective Federal and State officials responsible for administering the program.

(b) DISTRIBUTION.—Copies of the catalog compiled pursuant to subsection (a) shall be transmitted to the Congress and copies shall be made available to small business concerns in rural areas, appropriate trade associations, Federal and State agencies for the assistance of small business concerns, State and local chambers of commerce, other appropriate nonprofit organizations, and the general public.

(c) BIANNUAL UPDATE.—The Small Business Administration shall issue updates of the catalog compiled pursuant to subsection (a) by February 1, 1993, and February 1, 1995.

SEC. 305. AREA STATISTICS IN PRESIDENTIAL REPORT.

Section 303 of the Small Business Economic Policy Act of 1980 (Public Law 96-302) is amended by striking paragraph (2) of subsection (a) and inserting the following: 15 USC 631b.

"(2) present current and historical data on production, employment, investment, population, job creation and retention, annual business failures, annual business startups, and other economic variables for small business in the economy as a whole and for small business in each sector of the economy, with, to the extent practicable, specific statistics divided as to urban, suburban, and rural areas;".

SEC. 306. RURAL SMALL BUSINESS CONFERENCES. 15 USC 653 note.

(a) IN GENERAL.—The Chief Counsel for Advocacy of the Small Business Administration shall, as soon as practicable after the catalog (described in section 305 and hereinafter referred to as the "catalog") is issued, but not later than 90 days after the date such catalog is issued, convene regional rural conferences in 5 cities or towns in the United States.

(b) PREPARATIONS.—Prior to the conferences, the Office of Advocacy shall—

(1) select the sites for the conferences in order to encourage the maximum participation of all interested parties including private citizens and representatives of business, government, educational and nonprofit institutions; and

(2) distribute the catalog of programs and such other background materials prepared by the Office of Advocacy as the Chief Counsel deems appropriate.

(c) PURPOSES OF THE CONFERENCES.—The conference shall—

(1) review the effectiveness of current Federal programs to promote rural small business and its needs, with particular reference to the catalog of such programs;

(2) review how current Federal programs could be made more accessible to small businesses located in rural areas;

(3) make recommendations on how current programs can be approved to better address small business needs in rural areas;

(4) review the availability and cost of capital, transportation, and telecommunications in rural areas;

(5) review the availability of technical assistance and training programs for small business needs in rural areas, including marketing, computer training, accounting, financing, and international trade; and

(6) determine any additional needs of small businesses in rural areas.

(d) REPORT.—The Chief Counsel for Advocacy shall prepare a summary of the findings and recommendations of each regional conference. Not later than 60 days after the last of the 5 regional conferences have been held, the Chief Counsel for Advocacy shall transmit such summaries to the Congress and the President, along with conclusions and recommendations, including specific legislative proposals and recommendations for administrative or other actions. The transmittal of the required information shall be deemed a report of the Chief Counsel for Advocacy under the terms and conditions of section 206 of Public Law 94-305. To the extent practicable, the report shall estimate the cost of implementing each recommendation of a regional conference as well as those of the Chief Counsel.

SEC. 307. PILOT RURAL DEVELOPMENT LOAN PROGRAM.

Section 7(a)(19) of the Small Business Act (15 U.S.C. 636(a)(19)) is amended by adding the following new paragraph:

"(C) In order to encourage lending institutions and other entities making loans authorized under this subsection to provide loans to small business loan applicants located in rural areas, such lenders shall be permitted to retain one-half of the fee collected pursuant to paragraph (18) on loans of less than $75,000. A participating lender may not retain any fee pursuant to this subparagraph if the amount committed and outstanding to the applicant would exceed $75,000 unless the amount in excess of $75,000 is an amount not approved under the provisions of this subparagraph. This subparagraph shall cease to be effective on October 1, 1995.".

SEC. 308. RURAL SMALL BUSINESS INCUBATORS.

It is the sense of the Congress that small business incubators can play a constructive role in rural development. Accordingly, the National Association of Development Companies, and any interested, certified development companies licensed by the Small Business Administration under title V of the Small Business Investment Act of 1958, and other interested parties are requested and encouraged to develop proposals under which Development Companies located in rural areas could establish, operate or otherwise cooperate with small business incubators for startup small business. Such proposals, including recommendations regarding needed Federal assistance, both monetary and legislative, should be submitted to the Small Business Administration and to the Committees on Small Business of the Senate and House of Representatives not later than 6 months after the date of enactment of this section.

SEC. 309. EFFECTS OF DEREGULATION ON RURAL AMERICA.

15 USC 601 note.

(a) STUDY.—The Office of Technology Assessment shall conduct a study of the effects of deregulation on the economic vitality of rural areas. Such study shall include, but not be limited to, a thorough analysis of the impact of deregulation on—

(1) the number of loans made by financial institutions to small businesses located in rural areas, a change in the level of security interests required for such loans, and the cost of such loans to rural small businesses for creation and expansion;

(2) airline service in cities and towns with populations of 100,000 or less, including airline fare, the number of flights available, number of seats available, scheduling of flights, continuity of service, number of markets being served by large and small airlines, availability of nonstop service, availability of direct service, number of economic cancellations, number of flight delays, the types of airplanes used, and time delays;

(3) the availability and costs of bus, rail and trucking transportation for businesses located in rural areas;

(4) the availability and costs of state-of-the-art telecommunications services to small businesses located in rural areas, including voice telephone service, private (not multiparty) telephone service, reliable facsimile document and data transmission, competitive long distance carriers, cellular (mobile) telephone service, multifrequency tone signaling services such as touchtone services, custom-calling services (including three-way calling, call forwarding, and call waiting), voicemail services, and 911 emergency services with automatic number identification;

(5) the availability and costs to rural schools, hospitals, and other public facilities, of sending and receiving audio and visual signals in cases where such ability will enhance the quality of services provided to rural residents and businesses; and

(6) the availability and costs of services enumerated in paragraphs (1) through (5) in urban areas compared to rural areas.

(b) REPORT.—Not later than 12 months after the date of enactment of this title, the Office of Technology Assessment shall transmit to Congress a report on the results of the study conducted under subsection (a) together with its recommendations on how to address the problems facing small businesses in rural areas.

SEC. 310. TOURISM DEMONSTRATION PROGRAM.

The Small Business Act is amended by inserting after section 26 the following new section:

SEC. 27. TOURISM DEMONSTRATION PROGRAM.

15 USC 654.

"(a) IN GENERAL.—The Administration is authorized to make grants to conduct demonstration programs in 5 States in order to promote tourism activities delivered by small businesses. The purpose of the program shall be to demonstrate ways in which the economy in rural areas may be improved by encouraging tourism and its resulting increase in income and employment in rural areas. The Administration shall require as a condition of any grant under this section that the applicant also contribute to the demonstration program a sum equal to at least 25 percent of the amount of the funding requested from the Federal Government.

Rural areas.

"(b) AUTHORIZATION.—There are authorized to be appropriated to carry out the provision of this section, $1,000,000 for fiscal year 1992 and such sums may remain available until expended.

"(c) REPORT.—Not later than February 1, 1993, the Administration shall submit to the President and the Congress a report on activities undertaken pursuant to this section.".

15 USC 653 note.

SEC. 311. RURAL TOURISM TRAINING PROGRAM.

The Chief Counsel for Advocacy of the Small Business Administration shall conduct training sessions on the types of Federal assistance available for the development of rural small businesses engaged in tourism and tourism-related activities. Such training sessions shall be conducted in conjunction with the Office of Rural Affairs (established pursuant to section 26 of the Small Business Act) and appropriate personnel designated by each district office of the Administration.

TITLE IV—MISCELLANEOUS AMENDMENTS

SEC. 401. CONTRACT GOALS FOR MINORITIES IN PRINTING RELATED SERVICES.

Section 843 of the National Defense Authorization Act, Fiscal Year 1989 (Public Law 100-456; 44 U.S.C. 502 note) is amended—

(1) in subsection (a), by striking "and, during fiscal years 1989 and 1990," and inserting "and"; and

(2) by adding at the end thereof the following new subsection:

"(e) DURATION OF TEST.—The test program established by subsection (a) shall not apply to solicitations issued on or after October 1, 1993.".

15 USC 637 note.

SEC. 402. SUSPENSION OF LIQUIDATED DAMAGES UNDER COMPREHENSIVE SMALL BUSINESS SUBCONTRACTING PLANS.

To facilitate participation in the test program for the negotiation of comprehensive small business subcontracting plans pursuant to section 834 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1510), subsection (d) of such section is hereby suspended for the period of the test program as specified in subsection (e) of such section.

15 USC 637 note.

SEC. 403. DEFINITION OF ARCHITECTURAL AND ENGINEERING SERVICES.

Pursuant to section 742 of Public Law 100-656, modifications to Part 36 of the Federal Acquisition Regulation (48 C.F.R. Part 36) shall specify that the definition of architectural and engineering services includes surveying and mapping services to which the

selection procedures of Subpart 36.6 of the Federal Acquisition Regulation apply.

Approved November 15, 1990.

LEGISLATIVE HISTORY—H.R. 4793:

HOUSE REPORTS: No. 101-667 (Comm. on Small Business).
CONGRESSIONAL RECORD, Vol. 136 (1990):
Sept. 25, considered and passed House.
Oct. 27, considered and passed Senate, amended. House concurred in Senate amendment.

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